Registration number: NI664860

Harland and Wolff (Belfast) Limited
(formerly InfraStrata Heavy Industries (NI) Limited)
Annual Report and Financial Statements
for the Period from 4 October 2019 to 31 July 2020

PKF Littlejohn LLP
Statutory auditor
15 Westferry Circus
London
E14 4HD

Harland and Wolff (Belfast) Limited
(formerly InfraStrata Heavy Industries (NI) Limited)

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Harland and Wolff (Belfast) Limited
(formerly InfraStrata Heavy Industries (NI) Limited)

Company Information

Directors	Mr A Raman Mr J M Wood
Company Secretary	Fieldfisher Secretaries Limited
Registered Office	C/O Donaldson Legal Consulting Llp Shore Studios 18c Shore Road Holywood BT18 9HX
Accountants	Aventus Partners Limited Hygeia Building Ground Floor 66-68 College Road Harrow Middlesex HA1 1BE
Auditors	PKF Littlejohn LLP Statutory auditor 15 Westferry Circus London E14 4HD

Harland and Wolff (Belfast) Limited
(formerly InfraStrata Heavy Industries (NI) Limited)

Strategic Report for the Period from 4 October 2019 to 31 July 2020

The directors present their report for the period from 4 October 2019 to 31 July 2020.

Fair review of the business

Two years have passed since InfraStrata Plc (now renamed Harland & Wolff Group Holdings Plc) took ownership of its first shipyard in Belfast when it purchased the assets of Harland & Wolff Belfast (HWB) and obtained the keys to the facility on 5th December 2019. The rationale through the acquisition was to utilise the site to develop the Islandmagee gas storage project and to establish a stand along business which would be capable of operating across five markets and six sectors whilst enabling the parent company to vertically integrate high value fabrication works to keep more funds flowing through the company's internal strategic infrastructure projects. The final payment to acquire the assets of £1.45m was paid to the administrator during July 2020.

The model that we are implementing is to operate across five different markets, namely, Cruise and Ferry, Energy, Commercial, Renewables and Defence. Within these markets we will be operating in sectors throughout the entire project lifecycle from technical services at the start of the lifecycle, through fabrication of vessels, vessel blocks, civil bridges and steel for power stations and other civil infrastructure projects. The repair and maintenance of vessels is a sector and will utilise the drydocks and slipways in both yards. Vessels are required to drydock every three or five years to meet classification society rules so that will inevitably become a baseload business for us. In-service support is a market that covers supporting vessels and projects away from the yard, the benefit being we are not constrained by our own footprint. Should a project not be awarded to the yard, in-service support still provides us with the optionality to be involved in the project. More importantly, in-service support helps build client relationships for future projects and provides additional routes for vertical integration. One of the larger sectors is conversion where major projects are carried out on vessels to change the use or substantially upgrade them. Finally at the end of the lifecycle is the recycling or decommissioning of a vessel or structure.

Clearly there is a lot that needs to come together including political engagement and support of our various communities to ensure that we have the correct talent and work force coming through the yard gates. This includes apprentices starting out on their individual journeys. Fully engaging a global supply chain is essential to ensuring contracts that are tendered are done so with the minimum amount of risk and at the most competitive price. It will not always be possible to undertake projects on our own, and in recognising our limitations, we have already established a joint venture with Navantia where we are looking at several projects together across Defence, Cruise and Ferry and the Renewables markets. We also have the opportunity of establishing technology transfers to upskill HWB quicker than we may be able to do so on our own and with a substantially reduced risk profile, whilst endorsing the latest technology available. We have a complete sense of purpose and a clear strategy of what we are looking to achieve and how we will deliver it. The Defence industry, for example, has a duopoly currently in place and we are friendly disruptors who will provide for further competition rather than a pre-arranged split of work. When considering the amount of fabrication works that will be required over the next decade over Defence, Renewables and Commercial there are simply not enough facilities available. Our yards will be full over time taking up as much slack as possible. Within the export market, there are numerous opportunities that can be exploited as well. In the midst of all the business that we are seeing likely to come into both yards, we should remain vigilant with our risk profile in relation to every project that we take on as well as investing in technology and innovation in order to establish a strong foothold in our various markets.

Our business model must be sustainable. We are less interested in one massive contract that will fill up all the capacity and not allow us any other projects. That will be unwise. We must stick with our strategy regardless of how tempting it is to fill the yard with work from one market that is currently booming but equally likely to undergo a downturn in a few years' time. Looking back in history, this has been probably been the most fatal error that shipyards have made. Keeping a balanced portfolio is essential to dealing with the enormous peaks and troughs that naturally occur in the various markets that we are engaged in.

Fair review of business (continued)

Markets

Defence
HWB is a UK strategic defence asset, as one of only three UK naval shipbuilders suitable for major MOD contract work and boasting two of the largest docks in Europe. Set on 85 acres our Belfast facility is one of only three facilities in the UK suitable for major MOD contract work. Meanwhile our Appledore shipyard has a strong portfolio of vessels built within its facilities from landing crafts to patrol boats. Our 335m Belfast dock is one of only two docks that can currently dock the Queen Elizabeth Aircraft Carriers. With global warming and rising sea levels we will shortly be the only yard that has the water depth available to undertake these critical dockings.

Our senior team has extensive experience across several high-profile global defence programs, including the Canberra Class Amphibious Assault Ship, Anti-Ship Missile Defence upgrade for the Royal Australian Navy ANZAC Class Frigates, the Canadian patrol program and UK complex warship programs.

Commercial
Whilst we are able to undertake work on numerous commercial vessels, we are also ideally position to fabricate bridges, structural steel, building and loading frames with the ability to handle numerous projects concurrently. High performing teams across both shipyards are dedicated to delivering success stories. Our Appledore site regularly hosts fishing and commercial vessels for repairs on its slipway whilst undertaking refits in its undercover drydock.

The impressive drydocks and deep water access at Belfast provide unrivalled accessibility. Vast storage areas and quayside space present opportunities to conduct work ahead of vessels arriving, reducing down time for fabrication on construction and conversion projects.

Energy
Our advanced design engineering skills and construction facilities allow us to offer tailor made solutions competitive with standard off the shelf products. Modules have been designed and built in accordance with NORSOK, Lloyds, DNV, GL, ABS, BSH, NMD, and NPD regulations, including the new DNV-OS-J201 standard

Our large storage areas and 2000m of quayside offer unique opportunities to manufacture and store modules and blocks. In addition, our Belfast facility enjoys access to the open sea free of any restrictions making it ideal for new Oil and Gas projects as well as for through life upgrades of large offshore structures.

Cruise & Ferry
HWB is the only shipyard in the UK capable of undertaking multiple Cruise projects concurrently. Our Belfast yard offers flexibility and capacity ensuring a rapid turnaround. Our fully engaged and high performing team have a passion for quality and getting all the details right first time. Vessels entering our facilities are in the hands of some of the worlds most experienced talent who appreciate the importance of ensuring a five star finish.

Our Belfast shipyard expertly handles some of the world's largest cruise ships within its 335m and 556m drydocking facilities respectively. Set a short steam away from the Mediterranean Sea, Belfast has two international airports, offering immediate access for cruise & ferry customers. The city also has a substantial supply chain including being home to some leading interior outfitting contractors.

Fair review of business (continued)

Renewables
With renewable energy set to become one of the UK's most valuable assets, we are in an enviable position with one of the world's best facilities offering flexible fabrication and load in/out facilities with a dedicated project management team to guarantee delivery.

Our large 85 acres site in Belfast has multiple high load points to ensure structures can be fabricated, tested and stored before a consolidated load out to site. We have a 556m drydock with twin overhead cranes that can load structures from the dock onto a waiting barge. Additionally, with multiple wet and dry configurations, our facilities can be set up to provide fast and cost effective load outs regardless of the configuration of vessels or barges.

HWB is actively marketing in all our key markets, some of which have a longer gestation time than others. We have chosen to pick the low hanging fruit first with Cruise & Ferry and Commercial as projects are immediately available and tend not to have a substantially long lead in time. However, these projects tend to have smaller contract values. On the other hand projects with higher contract values also suffer from longer lead times. A lot of the work that we are undertaking now and the tenders that we are submitting currently are for projects that will commence in 12-24 months' time. We are effectively investing in our future today.

Technical Services
Our technical services team comprise naval architecture, system design and engineering, electrical design and engineering, steel structural design and engineering and general arrangement and outfitting. The team of professional design engineers provide a comprehensive range of services from initial consultancy, basic design, detailed engineering to through life support, and with all services being accredited to internationally recognized standards. The deeply experienced engineering team takes a holistic approach to providing comprehensive solutions and provides engineering support from individual tasks to complete work packages. With a well-proven track-record in delivering success stories.

Fabrication and Construction
Since its establishment in 1861, over 1,700 ships, offshore vessels and various steel structures of all types and sizes have begun their life in our Belfast Shipyard and over 300 in the Appledore shipyard. These include Defence vessels, bulk carriers, tankers, drill ships, ro-ro's passenger vessels and FPSO's. Integrating extensive facilities with a large engineering capacity and strong project management enables us to offer a "one stop shop" with a highly focused, client centric approach.

With direct deep water access and 2,000m of quayside space, our Belfast shipyard sitting on 85 acres welcomes a wide variety of vessels and structures. The site boasts a vast main dock and two 140m "Goliath" gantry cranes. Within the 30,000m2 covered fabrication halls up to 250 tonnes of structural steel can be handled per week in Belfast.

Repairs & Maintenance
We have a worldwide reputation with owners and operators for strict standards of health and safety, quality and timely delivery for planned and emergency repairs to all vessel types. This is reflected in our high numbers of repeat customers. We work with our clients to keep their assets in service and productive, whilst helping to improve their operational effectiveness. We take the time to understand our clients' needs and ensure high quality project management for each and every project we undertake. Our engineering history has developed a superb technical skill set, specialized in the marine and offshore environment, with a team which works in partnership with our clients engineering and logistic teams. We have some of the most extensive and best equipped shipbuilding and repair facilities in Western Europe.

Fair review of business (continued)

In Service Support
Boasting not one - but two easily accessible shipyards, strategically set to provide a variety of expert-led services. Whether, it's a remote breakdown, urgent repairs which do not require shipyard facilities or supporting a strictly timetable of work, you are in safe hands with our deeply experienced team. Our crew has some of the most experienced marine and offshore workforce in the world, with a varied technical skillsets and specialist knowledge.

No matter how complex the challenge our crew have the talent and determination to find an effective and efficient solution. Our agile and flexible approach, combined with our widely experienced maintenance and repair team, means we can support our clients for planned in-service works off site as well as being able to mobilise at short notice in the event of an unplanned maintenance or repair requirement to ensure return to work of an asset with minimum downtime.

Conversion
Our crew offer a variety and depth of experience; working on a conversion project from simple renewals to complex overhauls, for vessels to offshore platforms and rigs. We support the entire conversion process from the initial feasibility studies and detailed design, through to fabrication and any extended lifetime support. With capability to work on one-off conversions to conversions of entire fleets. Our engineering history has developed a superb technical skill set, specialized in marine and offshore conversion projects. Our engineers work closely with the delivery team to ensure high quality, effective and responsive project management.

Decommissioning
We have the largest dock licensed for marine waste disposal in the UK enabling us to deliver cost effective, transparent and compliance assured projects. Our docks can accommodate the largest structures and a high degree of mechanisation strip costs out of the destruction process. No matter the type of vessel of offshore structure, decommissioning requires careful attention to health, safety and environmental standards.

With our Belfast shipyard accommodating one of only two docks in the UK licensed for marine waste disposal, we understand this well. When DEFRA first established a set of standards that challenged industry to step up and offer a transparent, environmentally sound and socially responsible solution to decommission, we were the first to answer that call and obtain a Waste Management License for ship and offshore unit recycling, based on that new standard.

We are currently seeing a massive backlog of Cruise vessels' mandatory drydocking work building up as vessels remain out of service and will require substantial works before passenger certificates are reactivated as they re-enter service. With the cruise industry gearing up for a restart in H1 2022 we are already seeing a substantial increase in enquiries being received. Standard ferry docking demand remains strong, however projects remain restricted to essential work only. We expect to see contract values in future years rise as soon as cash conservation by ferry operators due to the ongoing pandemic eases.

The two recent government announcements in relation to the "Green Industrial Revolution" and defence spending bode well for Harland & Wolff as these are two of the key markets that we are involved in and one of the only yards in the UK that has the immediate capacity to deal with a quick call to action as has been requested in and around the renewable sector following the quadrupling of wind powered energy targeted by 2030. The facilities in Belfast are ideal for both offshore static and floating wind farms. Our 556m drydock and gantry cranes are ideal for loading out capabilities. The prime minister announced the largest increase in government spending in defence for thirty years. Given the number of ships planned, it looks very positive that both the Belfast and Appledore yards will be involved in some way or another.

Fair review of business (continued)

Decommissioning (continued)
As part of our strategic review of the overall fabrication industry, it is abundantly clear that the UK is substantially short on fabrication capacity and capability. We are fully aware that this will not be an immediate ramp up in work but it bodes very well for the future of British shipbuilding.

British shipbuilders can no longer live in isolation whilst operating in an international market with export opportunities. We firmly believe in partnering and in joint venture arrangements to ensure on-time and ahead-of-budget delivery of projects. Whilst the UK does have advanced manufacturing capabilities our European neighbours have substantially more. Partnerships with the likes of Navantia who have successfully digitized shipbuilding with their Shipyard 4.0 programmes should be actively encouraged in order to improve domestic efficiencies, enhancing productivity and ultimately delivering cost effective projects to end clients.

Team Resolute
When considering partners for upcoming defence programmes, we spent considerable time evaluating the options to ensure that we put a credible offering to the Ministry of Defence. In forming Team Resolute with Navantia, the Spanish state-owned shipbuilder and BMT, the UK's go-to design house we truly believe that we have a team capable of winning projects. The initial focus will clearly be on the Fleet Solid Support project (FSS), however, we are also collaborating on several other projects across defence and cruise along with several projects in the renewable sector.

Working in this team provides us with a substantially lower risk entry point, access to significant historical data, a comprehensive track record and a portfolio of proven hull designs that can be utilised for future bids and tenders. More importantly it gives us access to Navantia' s Shipyard 4.0 system, their program management skills, system integration and weapons systems capabilities. Whether Team Resolute prevails in the FSS tender will largely depend on the end client's requirements. Should Team Resolute fail in its pursuit to win the FSS contract, we remain convinced that we will be successful on other projects that we are bidding for. We have built a strong working relationship with both Navantia and BMT and we look forward to working closely with as a team on upcoming projects. We are acutely aware that one size does not fit all and we will continue to form other joint ventures and partnerships for projects that have a better probability of winning with other partners.

Belfast Facility
Our strategic shipyard and fabrication facility is located a short drive from Belfast International Airport. The facility is made up of two sites. Site one includes the Belfast Dry Dock (335m) and Site two includes the new building and fabrication dock (556m) along with 30,000m2 of undercover fabrication space.

The facilities have deep water access and over 2,000m of quayside berths between the two facilities. There are various deep-water pockets around both sites that will facilitate larger deep drafted vessels and structures to berth and be worked on. The yard has had numerous piling works done in order to enable it to withstand large single point loads associated with the renewable industry.

The facility has been reactivated in stages since acquiring the yard on the 5th December 2019. The initial stage was to get the Belfast dock up and running which included undertaking upgrade and maintenance works on the various plant and equipment. The first vessel was welcomed to the yard on the 23rd December 2019 and since then a further twenty vessels have entered the yard.

After works were completed on the Belfast dock the next priority was to get the larger building dock up and running, undertaking much of the same type of works. With the onset of Corvid and the resultant slowdown to essential works only, it was decided to take advantage of this slowdown in activity and remove the dock gate from Belfast dock to be drydocked inside the building dock for repairs, upgrade and a multi-year preservation package.

Fair review of business (continued)

Belfast Facility (continued)

The dock gate is required to be docked every ten to fifteen years depending on routine survey works. The team made the decision to undertake the works earlier than planned to avoid taking it out of service when larger contracts became available. In addition, in order to qualify for the Queen Elizabeth class carrier bid, the work that was required on the dock gate would needed to be undertaken in earnest. The entire operation from commencement, floating the dock gate, demounting it and finally re-installing it lasted five months.

The facility effectively operated as a single dock operation for the majority of 2020, but we are pleased to have this work behind us as we now proceed towards bigger and more time critical projects. The next phase of the reactivation process is to get the fabrication facility up and running. Whilst there is much that we can do to improve the efficiency and productivity of the fabrication halls, we are determined to win contracts and start processing them as we gradually upgrade the facilities over the course of the next few years. We have however ordered a new Inrotech robotic micro panel line for the fabrication hall, as this will be critical in shipbuilding and major fabrication projects. The panel line was delivered in January 2021 and has been up and running since then following installation and training of key members of staff.

We will be looking at the longer-term upgrade plans in conjunction with our budgets as part of our ten year plans. Given that the site is spread over 85 acres, we believe that there are innumerable opportunities to increase turnover over and above our current internal projections. Some of these opportunities will involve capital investment in order to realise the growth potential. Such enhanced capital spend will be reviewed on a case by case basis.

Principal risks and uncertainties

The board is responsible for the effectiveness of the Company's risk management activities and internal control processes. As a participant in the shipbuilding and heavy fabrication industries, the Company is exposed to a wide range of business risks in the conduct of its operations. The Company is exposed to financial, operational, strategic and external risks which are further described below. These risks are not exhaustive and additional risks or uncertainties may arise or become material in the future. A robust process of risk management and mitigation has been introduced into the business and all risks associated with the Company's business have been fully assessed.

Approved by the Board on 10 December 2021 and signed on its behalf by:........................ ....

Mr A S Raman
Director

Directors' Report for the Period from 4 October 2019 to 31 July 2020

The directors present their report and the audited financial statements for the period from 4 October 2019 to 31 July 2020.

Incorporation
The company was incorporated and commenced trading on 4 October 2019.

Change of company name
The company changed its name from InfraStrata Heavy Industries (NI) Limited to Harland and Wolff (Belfast) Limited effective from 15 November 2019.

Directors' of the company
The directors, who held office during the period, were as follows:

Mr A S Raman (appointed 4 October 2019)

Mr J M Wood (appointed 4 October 2019)

Mr P W Blake (appointed 18 February 2020 and resigned 22 September 2020)

Mr J Petticrew (appointed 18 February 2020 and Resigned 5 November 2020)

Principal activity
The principal activity of the company is that of shipbuilding, heavy engineering, ship repair and maintenance of production and drilling vessels for the offshore oil and gas industry.

Covid-19
The board is monitoring the current global health crisis and considering its impact on the position of the Company from operational and financial perspectives. The current restrictions in force and the general overarching impact of COVID-19 means there can be no assurance that the development of the underground salt caverns will be successful, nor that the parent company will be able to generate the required levels of future funding for the Company to achieve its goals. The board are monitoring the effects of COVID-19 on an ongoing basis so as to enable the Company to be well positioned in the current uncertain environment.

Financial instruments

Objectives and policies

Access to adequate working capital is critical to our ability to pursue our existing and future projects and to continue as a going concern. A deterioration of the capital markets may reduce our ability to raise new equity funding. We work closely with our professional advisers to identify the optimum approach and timing to secure new equity financing to provide working capital.

The Company's ultimate parent, InfraStrata Plc seeks to manage risk for its shareholders by attracting investment through quality partners where possible thereby minimising our own commitments to pay project development costs. We do not make financial commitments unless such funding has been secured through joint venture partners or otherwise new investment in our projects or we have a high degree of confidence that it will be secured.

Price risk, credit risk, liquidity risk and cash flow risk

The company seeks to manage risk for our shareholders by attracting investment through quality partners where possible thereby minimising our own commitments to pay project development costs. We do not make financial commitments unless such funding has been secured through joint venture partners or otherwise new investment in our projects or we have a high degree of confidence that it will be secured.

Future developments

Our strategic shipyard and fabrication facility is located a short drive from Belfast International Airport. The facility is made up of two sites. Site one includes the Belfast Dry Dock (335m) and Site two includes the new building and fabrication dock (556m) along with 30,000m2 of undercover fabrication space.

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The dock gate is required to be docked every ten to fifteen years depending on routine survey works. The team made the decision to undertake the works earlier than planned to avoid taking it out of service when larger contracts became available. In addition, in order to qualify for the Queen Elizabeth class carrier bid, the work that was required on the dock gate would needed to be undertaken in earnest. The entire operation from commencement, floating the dock gate, demounting it and finally re-installing it lasted five months.

The facility effectively operated as a single dock operation for the majority of 2020, but we are pleased to have this work behind us as we now proceed towards bigger and more time critical projects. The next phase of the reactivation process is to get the fabrication facility up and running. Whilst there is much that we can do to improve the efficiency and productivity of the fabrication halls, we are determined to win contracts and start processing them as we gradually upgrade the facilities over the course of the next few years. We have however ordered a new Inrotech robotic micro panel line for the fabrication hall, as this will be critical in shipbuilding and major fabrication projects. The panel line was delivered in January 2021 and has been up and running following installation and training of key members of staff.

We will be looking at the longer-term upgrade plans in conjunction with our budgets as part of our ten year plans. Given that the site is spread over 85 acres, we believe that there are innumerable opportunities to increase turnover over and above our current internal projections. Some of these opportunities will involve capital investment in order to realise the growth potential. Such enhanced capital spend will be reviewed on a case by case basis.

Harland and Wolff (Belfast) Limited
(formerly InfraStrata Heavy Industries (NI) Limited)

Directors' Report for the Period from 4 October 2019 to 31 July 2020 (continued)

Going concern
The Financial Information has been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the Financial Statements and perform scenario planning thereon. This information includes management prepared cash flows forecasts, parental support and considerations of the impact of COVID-19.

Based on their considerations management continue to adopt the going concern basis of accounting in preparing the Financial Information - see note 2 for further details.

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors
The auditors PKF Littlejohn LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 10 December 2021 and signed on its behalf by:

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Mr A S Raman
Director

Harland and Wolff (Belfast) Limited
(formerly InfraStrata Heavy Industries (NI) Limited)

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Harland and Wolff (Belfast) Limited

Opinion

We have audited the financial statements of Harland and Wolff (Belfast) Limited (the 'Company') for the period from 4 October 2019 to 31 July 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Harland and Wolff (Belfast) Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

• the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, Statement of Directors' Responsibilities 11the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

• We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.

Independent Auditor's Report to the Members of Harland and Wolff (Belfast) Limited (continued)

• We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006.

• We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes, and review of legal expenses.

• We also identified the risks of material misstatement of the financial statements due to fraud as a significant risk.

• As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP, Statutory Auditor

15 Westferry Circus
London
E14 4HD

Date: 12 December 2021

Harland and Wolff (Belfast) Limited
(formerly InfraStrata Heavy Industries (NI) Limited)

Profit and Loss Account for the Period from 4 October 2019 to 31 July 2020

	Note	2020 £
Turnover	4	1,482,081
Cost of sales		(1,168,334)
Gross profit		313,747
Administrative expenses		(6,095,593)
Operating loss	5	(5,781,846)
Interest payable and similar expenses	6	(941,301)
Loss before tax		(6,723,147)
Tax on loss	10	-
Loss for the period		(6,723,147)
Items that may be subsequently reclassified to profit or loss		
Revaluation of fixed assets		6,074,895
Total comprehensive income for the period		(648,252)

The notes on pages 18 to 43 form an integral part of these financial statements.

Harland and Wolff (Belfast) Limited
(formerly InfraStrata Heavy Industries (NI) Limited)

(Registration number: NI664860)
Balance Sheet as at 31 July 2020

	Note	31 July 2020 £
Fixed assets		
Intangible assets	11	1,563,332
Tangible assets	12	21,641,638
Investments	13	100
		23,205,070
Current assets		
Stocks	14	331,465
Debtors	15	1,188,122
Cash at bank and in hand	16	34,939
		1,554,526
Creditors: Amounts falling due within one year	17, 18	(11,405,547)
Net current liabilities		(9,851,021)
Total assets less current liabilities		13,354,049
Creditors: Amounts falling due after more than one year	18	(13,502,201)
Net liabilities		(148,152)
Capital and reserves		
Called up share capital	21	100
Share premium reserve		500,000
Revaluation reserve		6,074,895
Profit and loss account		(6,723,147)
Shareholders' deficit		(148,152)

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

Approved and authorised by the Board on 10 December 2021 and signed on its behalf by:

....

Mr A S Raman
Director

Harland and Wolff (Belfast) Limited
(formerly InfraStrata Heavy Industries (NI) Limited)

Statement of Changes in Equity for the Period from 4 October 2019 to 31 July 2020

	Share capital	Share premium	Revaluation reserve	Retained earnings	Total
	£	£	£	£	£
Loss for the period	-	-	-	-6,723,147	-6,723,147
Other comprehensive income	-	-	6,074,895	-	6,074,895
Total comprehensive income	-	-	6,074,895	-6,723,147	-648,252
New share capital subscribed	100	-	-	-	100
Capital contribution	-	500,000	-	-	500,000
At 31 July 2020	100	500,000	6,074,895	-6,723,147	-148,152

Share capital: This represents the nominal value of equity shares in issue.

Share premium: This represents the premium paid above the nominal value of shares in issue.

Revaluation reserve: This represents the difference between the carrying value and fair value of certain assets.

Retained earnings: This represents the accumulated profits and losses since inception of the business.

Capital contribution: This represents investment made by InfraStrata Plc into the Company for which shares have not been issued as at balance sheet date.

1 General information

The company is a private company limited by share capital, incorporated and domiciled in Northern Ireland.

The address of its registered office is:
C/O Donaldson Legal Consulting Llp
Shore Studios
18c Shore Road
Holywood
BT18 9HX
United Kingdom

The principal place of business is:
Queen's Island
Belfast
BT3 9DU
Northern Ireland

These financial statements were authorised for issue by the Board on 10 December 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principle accounting policies applied by the Company in the preparation of these financial statements are set out below.

All accounting policies have been applied consistently, other than where new policies have been adopted.

The financial statements are presented in Sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

2 Accounting policies (continued)

Consolidation
The financial statements contain information about the individual company and do not contain consolidated financial information as a parent company. The company is exempt from preparing group accounts under section 400 of the Companies Act 2006 since the company is ultimately a wholly owned subsidiary undertaking of its ultimate parent, InfraStrata Plc which prepares consolidated accounts.

Financial reporting standard 101 - reduced disclosure exemptions
The company has applied disclosure exemptions available in the standard in the following areas:

- IFRS 7 disclosures regarding financial instruments;
- IFRS 13 disclosures on fair values;
- IFRS 15 disclosures regarding revenue from contracts with customers;
- IFRS 16 disclosures regarding leases;
- IAS 1 requirement to disclose the company's objectives, policies and processes for managing capital;
- IAS 7 requirement to produce a statement of cash flows and related notes;
- IAS 8 requirement to disclose information about the impact of standards not yet effective;
- IAS 24 requirements in respect of disclosing remuneration of key management personnel and intragroup transactions.

Going concern
The financial statements have been prepared on a going concern basis. The company's assets are now generating revenue. Operating cash outflows have been incurred in the year and an operating loss has been recorded in the profit and loss account for the year. Management has prepared scenario based cashflow forecasts and based on a worst case cash flow forecast scenario which includes known contract wins and base trade from the repair business management consider the Company to be a going concern. In addition they have also considered the ability of its parent to provide support if required. Based on these considerations management have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements for the year ended 31 July 2020.

2 Accounting policies (continued)

Changes to accounting policies, disclosures, standards and interpretations
(a) New and amended standards adopted by the Company

IFRS 16 Leases became applicable to the current reporting period, replacing IAS 17 Leases. The key change under IFRS 16 is that most leases designated as "operating leases" under IAS 17 now qualify for balance sheet recognition, subject to certain exceptions. The directors reviewed contracts to identify any additional lease arrangements that would need to be recognised under IFRS 16 in the current financial year and identified a couple of contracts and an associated right-of-use asset was recognised for each lease.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate, which averaged 10% across the Company.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

• Use of a single discount rate to a portfolio of leases with reasonably similar characteristics; and
• The accounting for operating leases with a remaining lease term of less than 12 months as at 4 October 2019 as short term leases.

On 4 October 2019, the Company recognised the following lease liabilities:

Current £ Nil
Non-current £14,021,132
Total £14,021,132

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

Right-of-use assets recognised on 4 October 2019 were:

Leasehold land & buildings £14,021,132

(b) New standards not yet adopted
There are no new Financial Reporting Standards and Interpretations issued but not effective for the reporting period ending 31 July 2020 that will materially impact the Company.

Revenue recognition
Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Company to customers in exchange for consideration in the ordinary course of the Company's activities.

2 Accounting policies (continued)

Performance Obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

The Company provides warranties to its customers to give them assurance that its products and services will function in line with agreed-upon specifications. Warranties are not provided separately and, therefore, do not represent performance obligations.

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer.

For each performance obligations within a contract the Company determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:
• The customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs;
• The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
• The Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date.

The Company has determined that most of its contacts satisfy the overtime criteria, either because the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs or the Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date.

For each performance obligation recognised over time, the Company recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs, after making suitable allowances or technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. The Company has determined that this method appropriately depicts the Company's performance in transferring control of the goods and services to the customer.

If the overtime criteria for revenue recognition is not met, revenue is recognised at the point in time that control is transferred to the customer which is usually when legal title passes to the customer and the business has the right to payment.

When it is expected that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

2 Accounting policies (continued)

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of the cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices. Given the nature of many of the Company's products and services, which are designed and/or manufactured under contract to customers' individual specifications, there are typically no observable stand-alone selling prices. Instead, stand-alone selling prices are typically estimated based on expected costs plus contract margin consistent with the Company's pricing principles.

Whilst payment terms vary from contract to contract, an element of the transaction price may be received in advance of delivery. The Company may therefore have contract liabilities depending on the contracts in existence at a period end. The Company's contracts are not considered to include significant financing components on the basis that there is no difference between the consideration and the cash selling price.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM") as required by IFRS 8 "Operating Segments". The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive board of Directors.

Tax

Tax expense represents the sum of the tax currently payable and any deferred tax. The taxable result differs from the net result as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

2 Accounting policies (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised.

Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2 Accounting policies (continued)

Intangible assets

Intangible assets are capitalised once it is probable that future economic benefits that are attributable to the assets will flow to the Company. The nature of these costs includes all direct costs incurred in project development, including any directly attributable finance costs. No amortisation or depreciation is provided until the storage facility is available for use.

Intangible assets consists of:
• Artefacts and trademarks.
• Capitalised development costs related to research and development activities - this class of assets is carried under the cost model.

Research and development activities
All research costs are expensed. Costs related to the development of products are capitalised when they meet the following conditions:

(i) It is technically feasible to complete the development so that the product will be available for use or sale.
(ii) It is intended to use or sell the product being developed.
(iii) The company is able to use or sell the product being developed.
(iv) It can be demonstrated that the product will generate probable future economic benefits.
(v) Adequate technical, financial and other resources exist so that product development can be completed and subsequently used or sold.
(vi) Expenditure attributable to the development can be reliably measured.

All other development expenditure is recognised as an expense in the period in which it is incurred.

An impairment test is performed annually and whenever events or circumstances arising during the development phase indicate that the carrying value of a development asset may exceed its recoverable amount. The aggregate carrying value is compared against the expected recoverable amount of the cash generating unit, generally by reference to the present value of the future net cash flows expected. The present value of future cash flows is calculated on the basis of future prices and cost levels as forecast at the statement of financial position date.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	**Amortisation method and rate**
Artefacts	Over 20 years - Straight line basis
Trademarks	Over 20 years - Straight line basis
Development costs	Over 20 years - Straight line basis

Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Leasehold land and buildings	Over 50 years - Straight line basis
Modular buildings	Over 20 years - Straight line basis
Right of use	Over 50 years - Straight line basis
Plant and machinery	Over 10 years - Straight line basis
Motor vehicles	Over 5 years - Straight line basis
Office furniture and equipment	Over 5 years - Straight line basis
Computer Equipment	Over 3 years - Straight line basis

Investments

Investments in subsidiaries are stated at cost less provision for impairments.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stock

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2 Accounting policies (continued)

Trade payables
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the Company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the Company has the right to:

· Obtain substantially all the economic benefits from the use of the underlying asset, and;
· Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e., non-lease components), the Company has made an accounting policy election, by class of underlying asset, to account for both components as a single lease component.

2 Accounting policies (continued)

Initial recognition and measurement

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the group measures the lease liability by:
(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are [presented separately as non-operating /included in finance cost] in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

2 Accounting policies (continued)

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:
(a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
(b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

2 Accounting policies (continued)

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).
The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
• Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
• Amounts expected to be payable by the Company under residual value guarantees;
• The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
• Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

Right-of-use assets are measured at cost which comprises the following:
• The amount of the initial measurement of the lease liability;
• Any lease payments made at or before the commencement date less any lease incentives received;
• Any initial direct costs; and
• Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2 Accounting policies (continued)

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
The Company has a defined contribution plan which requires contributions to be made into an independently administered fund. The amount charged to the statement of comprehensive income in respect of pension costs reflects the contributions payable in the year. Differences between contributions payable during the year and contributions actually paid are shown as either accrued liabilities or prepaid assets in the statement of financial position.

Financial instruments

Initial recognition
Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company currently does not use derivative financial instruments to manage or hedge financial exposures or liabilities.

Classification and measurement

Financial assets at amortised cost
The financial assets currently held by the Company are classified as financial assets held at amortised cost. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment under the expected credit loss model.

The expected credit loss is calculated as a function of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD). The amount of the expected credit loss is measured as the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that are expected to be received (i.e. all cash shortfalls), discounted at the original effective interest rate (EIR).

The carrying amount of the asset is reduced through use of allowance account and recognition of the loss in the Statement of Comprehensive Income. Allowances for credit losses on financial assets are assessed collectively. Collectively assessed impairment allowances cover credit losses inherent in portfolios of financial assets with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified.

2 Accounting policies (continued)

Financial liabilities at amortised cost

The Company classifies its financial liabilities into one category, being other financial liabilities measured at amortised cost.

The Company's accounting policy for the other financial liabilities category is as follows:
Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. All interest and other borrowing costs incurred in connection with the above are expensed as incurred and reported as part of financing costs in profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the asset and substantially all the risk and rewards of ownership of the asset to another entity.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the obligations are discharged, cancelled or they expire.

3 Critical accounting judgements and key sources of estimation uncertainty

Amounts included in the financial statements involve the use of judgement and/or estimation. These estimates and judgements are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements.

Judgements

The assessment of whether costs incurred on development costs should be capitalised or expensed involves judgement. Any expenditure where it is not probable that future economic benefits will flow to the Company are expensed. Management considers the nature of the costs incurred and the stage of project development and concludes whether it is appropriate to capitalise the costs. The key assumptions depend on whether it is probable that the expenditure will result future economic benefits that are attributable to the assets.

Estimates

The assessment of capitalised project costs for any indications of impairment involves judgement. When facts or circumstances suggest that impairment exists, a formal estimate of recoverable amount is performed, and an impairment loss recognised to the extent that the carrying amount exceeds recoverable amount. Recoverable amount is determined to be the higher of fair value less costs to sell and value in use. The key assumptions are the net income expected to be generated from the facilities, the cost of construction and the date from which the facilities become operational.

Valuation of assets

Management make judgements in respect of the valuation and carrying value of assets used in operations. A revaluation exercise was undertaken at the time of acquiring certain assets of Company from the administrators. This revaluation was undertaken based on valuations provided by third party independent valuation experts. At the year-end management made a judgement that the basis for revaluations remained and that on the basis on future expected work there were no indications of impairment.

4 Turnover

The analysis of the company's turnover for the period from continuing operations is as follows:

	2020 £
Rendering of services	1,482,081

The analysis of the company's turnover for the period by class of business is as follows:

	2020 £
Ship repair	1,482,081

4 Turnover (continued)

The analysis of the company's turnover for the period by geographical market is as follows:

	2020 £
UK	1,164,395
Europe	250,556
Rest of world	67,130
	1,482,081

No single customer accounted for more than 10% of revenue.

The CODM considered, that for the financial period ending 31 July 2020, there was only one operating segment being ship repair. As such no operating segment note is shown.

5 Operating loss

Arrived at after charging/(crediting)

	2020 £
Depreciation expense	1,088,683
Amortisation expense	2,255

6 Interest payable and similar expenses

	2020 £
Other loan interest	147,266
Other interest payable- Right of use/other	794,041
Foreign exchange (gains) / losses	(6)
	941,301

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £
Wages and salaries	2,485,177
Social security costs	255,095
Other short-term employee benefits	19,633
Pension costs, defined contribution scheme	74,567
Other employee expense	8,071
	2,842,543

The average monthly number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2020 No.
Management	4
Administration and support	41
Production	36
	81

8 Directors' remuneration

The directors' remuneration for the period was as follows:

	2020 £
Remuneration	164,585
Contributions paid to defined contribution scheme	4,583
	169,168

9 Auditors' remuneration

	2020 £
For the audit of these financial statements	21,600

10 Income tax

Tax charged/(credited) in the profit and loss account

	2020 £
Total current income tax	-
Total deferred taxation	-
Tax expense/(receipt) in the profit and loss account	-

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (- the same as the standard rate of corporation tax in the UK) of 19%.

The differences are reconciled below:

	2020 £
Loss before tax	(6,723,147)
Corporation tax at standard rate	(1,277,398)
Decrease from effect of capital allowances depreciation	(18,369)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	9,170
Increase from effect of unrelieved tax losses carried forward	1,286,597
Total tax charge/(credit)	-

No tax charge/ credit arises in 2020 due to expenses not permitted for tax purposes and losses carried forward.

Factors that may affect the future tax charge
The Company has trading losses of £6,294,535 (2019: £Nil) which may reduce future tax charges. Future tax charges may also be reduced by capital allowances on cumulative capital expenditure.

No balance is recognised due to the uncertainty of future results.

Amounts recognised in other comprehensive income

	2020		
	Before tax £	Tax (expense) benefit £	Net of tax £
Revaluation of fixed assets	6,074,895	-	6,074,895

Deferred tax
No deferred tax asset has been recognised due to uncertainty as to when profits will be generated against which to relieve said asset.

11 Intangible assets

	Artefacts	Trademarks	Development costs	Total
	£	£	£	£
Cost or Valuation				
Additions	200,000	170,000	55,000	425,000
Revaluation	447,395	693,192	-	1,140,587
At 31 July 2020	647,395	863,192	55,000	1,565,587
Amortisation				
Amortisation charge	-	-	2,255	2,255
At 31 July 2020	-	-	2,255	2,255
Carrying amount				
At 31 July 2020	647,395	863,192	52,745	1,563,332

Intangible assets carried at revalued amounts

The fair value of the company's Artefacts was revalued on 30 June 2019 by Hilco Valuation services.
Had this class of asset been measured on a historical cost basis, their carrying amount would have been £200,000.

The revaluation surplus (gross of tax) recognised in other comprehensive income amounted to £447,395.

The fair value of the company's Trademarks was revalued on 30 June 2019 by Hilco Valuation Services.
Had this class of asset been measured on a historical cost basis, their carrying amount would have been £170,000.

The revaluation surplus (gross of tax) recognised in other comprehensive income amounted to £693,192.

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Right of use £	Plant and machinery £	Total £
Cost or valuation						
Additions	2,439,308	179,718	297,056	11,531,827	2,469,908	16,917,817
Revaluation recognised in other comprehensive income	3,066,738	25,972	373,464	-	2,346,331	5,812,505
At 31 July 2020	5,506,046	205,690	670,520	11,531,827	4,816,239	22,730,322
Depreciation						
Charge for the period	275,370	59,795	55,478	153,758	544,283	1,088,684
At 31 July 2020	275,370	59,795	55,478	153,758	544,283	1,088,684
Carrying amount						
At 31 July 2020	5,230,676	145,895	615,042	11,378,069	4,271,956	21,641,638

Included within the net book value of land and buildings above is ££5,230,676 in respect of short leasehold land and buildings.

12 Tangible assets (continued)

Revaluation

The fair value of the company's Land and buildings was revalued on 30 June 2019 by Hilco.
Had this class of asset been measured on a historical cost basis, their carrying amount would have been £5,506,046. The revaluation surplus (gross of tax) amounted to £3,066,738.

The fair value of the company's Furniture, fittings and equipment was revalued on 30 June 2019 by Hilco Valuation Services.
Had this class of asset been measured on a historical cost basis, their carrying amount would have been £61,726. The revaluation surplus (gross of tax) amounted to £25,972.

The fair value of the company's Motor vehicles was revalued on 30 June 2019 by Hilco Valuation Services.
Had this class of asset been measured on a historical cost basis, their carrying amount would have been £670,520. The revaluation surplus (gross of tax) amounted to £373,464.

The fair value of the company's Plant and machinery was revalued on 30 June 2019 by Hilco Valuation Services.
Had this class of asset been measured on a historical cost basis, their carrying amount would have been £4,212,621. The revaluation surplus (gross of tax) amounted to £2,346,331.

13 Investments

Subsidiaries	**£**
Cost	
Additions	100
At 31 July 2020	100
Carrying amount	
At 31 July 2020	100

Details of the subsidiaries as at 31 July 2020 are as follows:

Name of subsidiary	**Principal activity**	**Registered office**	**Holding**	**Proportion of ownership interest and voting rights held 2020**
Harland and Wolff Technical Services Limited	Dormant	C/o Donaldson Legal Consulting Llp Shore Studios 18c Shore Road Holywood, BT18 9HX Northern Ireland	Ordinary shares	100%

14 Stock

	31 July 2020 £
Work in progress	20,872
Other inventories	310,593
	331,465

The cost of stock recognised as an expense in the period amounted to £311,000. This is included within cost of sales.

15 Trade and other debtors

	31 July 2020 £
Trade debtors	225,276
Other debtors	725,175
Prepayments	237,671
	1,188,122
Less non-current other debtors - Harbour rent deposit	(500,000)
	688,122

The non current debtor of £500,000 represents a Harbour rent deposit paid and is non interest bearing.

16 Cash at bank and in hand

	31 July 2020 £
Cash on hand	105
Cash at bank	34,834
	34,939

17 Trade and other creditors

	31 July 2020 £
Loans and borrowings	1,104,885
Trade creditors	1,097,156
Amounts due group undertakings	6,347,908
Social security and other taxes	758,515
Outstanding defined contribution pension costs	47,726
Other creditors	253,491
Accrued expenses	1,771,594
Deferred income	24,272
	11,405,547

18 Loans and borrowings

	Note	31 July 2020 £
Current loans and borrowings		
Lease liabilities - right of use	19	574,885
Other borrowings		530,000
		1,104,885

	Note	31 July 2020 £
Non-current loans and borrowings		
Lease liability - right of use	19	11,412,201
Other borrowings		2,090,000
		13,502,201

18 Loans and borrowings (continued)

Other borrowings

Riverfort Global Opportunities PCC Limited Loan

The Company obtained an unsecured short term loan amounting to £530,000 as at 31 July 2020 and this amount is repayable by February 2021. The loan has been provided by Riverfort Global Opportunities PCC Limited and a guarantee has been provided by the ultimate parent, InfraStrata Plc. The Riverfort Global Opportunities PCC Limited loan is repayable in full by February 2021. The loan has an interest rate of 1.5% per month.

Portnum Capitis Ltd Loan

The Company also obtained a term loan amounting to £2,090,000 and has been secured by Portnum Capitis Ltd by way of a debenture over the Company's assets and a guarantee has been provided by InfraStrata Plc.

The Portnum Capitis Ltd loan is an interest only loan and is repayable in full by February 2022. The loan has a fixed interest rate of 13.2% per annum.

19 Leases

Right of use - lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	31 July 2020 £
Less than one year	574,885
Between 2 to 5 years	2,874,425
Between 6 to 10 years	2,874,425
Between 10 to 15 years	2,874,425
More than 15 years	3,363,811
Total lease liabilities	12,561,971

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	31 July 2020 £
Right of use assets	327,296

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £74,567.

Contributions totalling £(47,726) were payable to the scheme at the end of the period and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	31 July 2020 No.	31 July 2020 £
Ordinary shares of £1 each	100	100

Authorised share capital
The Company's articles do not specify an authorised share capital.

22 Post balance sheet events

The board is monitoring the current global health crisis and considering its impact on the position of the Company from operational and financial perspectives. The current restrictions in force and the general overarching impact of COVID-19 means there can be no assurance that the development of the underground salt caverns will be successful, nor that the parent company will be able to generate the required levels of future funding for the Company to achieve its goals. The board are monitoring the effects of COVID-19 on an ongoing basis so as to enable the Company to be well positioned in the current uncertain environment.

23 Seasonal trend analysis

The ship and ferry repair sector generally witnesses an uptick in activity during the months of November to March each year in preparation for the busy summer sailing season. Consequently, the bulk of ship and ferry repair contracts will be entered into and serviced during that period which gives rise to seasonal variations in the flow of revenues. In order to smoothen out cashflows and maintain a consistent monthly revenue line, the Company is actively involved in four other distinct sectors; defence, commercial vessels, cruise and recycling. These sectors, apart from cruise that mirrors ship and ferry repairs markets, are agnostic towards the months of the year. Therefore, the Company is additionally focussed on these sectors during the summer months in order to maintain revenue consistency through the financial year.

24 Parent and ultimate parent undertaking

The company's immediate parent is InfraStrata UK Limited.
The ultimate parent is Harland & Wolff Group Holdings Plc.

The most senior parent entity producing publicly available financial statements is Harland & Wolff Group Holdings Plc. These financial statements are available upon request from

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2 Swan Lane
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